

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) The Gun Shop Inc Gary's Guns 2375 Highway 12 Vidor, TX 77662, ORANGE - 361		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782050-2015-0160-B1B		
		3. PERMIT/LICENSE NUMBER 576361016E03973	4a. TARGET DATE 9/15/2015	4b. TARGET HOURS
5. REQUESTED BY (SIGNATURE, TITLE AND DATE)				
6. ATF OFFICER(S) ASSIGNED (b)(6) - Lead Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6), Area Supervisor, 09/03/2015				
8. PURPOSE/SPECIAL INSTRUCTIONS				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	6	NO. OF REFERRALS		10. TRAVEL EXPENSES (OPTIONAL)
NO. OF TECS CHECKS	25	NO. OF TECS HITS		2111 - PER DIEM
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2112 - P.O.A.
		\$ VALUE OF TAX DECREASES		2113 - COMM. AIR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2114 - RENTAL CAR
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2115 - GPV EXPENSES
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		2116 - MISC.
				TOTAL \$ FOR INSP.
11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) - Infustry Operations Investigator Submitted on: 02/02/2016 The inspection warrants Violations, Warning Conference, Warning Letter and Recall Inspection. However, this was the licensee's first compliance inspection. The licensee was cited for (b)(3) 12.9% A&D Bound Book and Inventory Violations. IOI (b)(6) recommends Violations, Warning Letter Only and Recall Inspection. Viols WL ONLY and Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
AUG 2015 13.00				
ATF OFFICER'S SUBTOTAL		13.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
FEB 2015 2.50				
JUL 2015 6.00				
ATF OFFICER'S SUBTOTAL		8.50	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
SEP 2015 9.00				
OCT 2015 34.00				
DEC 2015 3.00				
ATF OFFICER'S SUBTOTAL		46.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		67.50		

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	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Alternate recommendation: Viols WL ONLY and Recall Inspection. The inspection disclosed violations warranting a Warning Conference. Specifically, (b)(6) instances (12.9%) whereby the licensee failed to timely or correctly record the receipt of a firearm, in violation of 27 CFR 478.125(e). An ROV was issued to the licensee for this violation, as well as, six additional violations pertaining to ATF F 4473 errors [27 CFR 478.21(a); 478.124(c)(1); 478.124(c)(3)(i); 478.124(c)(3)(iv); and 478.124(c)(5)].

However, as this is the licensee's first compliance inspection since license issuance on 4/1/2013. Further, all corrections to the A & D Book have been made and the licensee has implemented procedures to help prevent repeated violations. Therefore, the issuance of a warning letter with a recall inspection is recommended ILO a warning conference.

Due to alternate recommendation, this report is being forwarded to DIO for review and final recommendation.

FFLC should note the following updates needed to FLS database records:

- 1) Mr. James "Mark" Daniels' title should be "President".
- 2) Mr. James "Mark" Daniels' phone number should be (b)(6)
- 3) (b)(6) should be removed as a Responsible Person;
- 4) EIN (b)(6) should be added.

Viols WL ONLY and Recall Inspection

☒ REVIEWED ☒ CONCUR ☒ SEE COMMENTS ☐ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor	REVIEW DATE 12/14/2015
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REVIEW COMMENTS AND RECOMMENDATION

During this inspection, there were six administrative and record keeping violations cited. One record keeping violation warrants a recommendation of warning conference, which was for failing to correctly record the required acquisition information for (b)(3) firearms (12.9%).

Investigator (b)(6) verified the corrections made to the A&D record.

This is the licensee's first compliance inspection since issuance of the license in 2013. During this inspection, there were no untimely acquisitions or dispositions, no missing firearms and no transfers to prohibited persons. Investigator (b)(6) recommends a warning letter and recall inspection. I concur with his recommendation.

Viols WL ONLY and Recall Inspection

☒ REVIEWED ☒ CONCUR ☒ SEE COMMENTS ☒ FINAL DISPOSITION

SIGNATURE AND TITLE TLCARTER - Director, Industry Operations	REVIEW DATE 02/03/2016
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ROUTING SEQUENCE AND DATE

- ☐ 1. _____
- ☐ 2. _____
- ☐ 3. _____
- ☐ 4. _____

CONTROL FILE POSTED DATE _____

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor The Gun Shop Inc. Gary's Guns	Street Address 2375 Highway 12	City Vidor	State TX	Zip Code 77662-	County ORANGE - 361	Page 1 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 576361016E03973		Expiration Date 5/1/2016		Date(s) or Period of Inspection 09/30/2014 through 10/01/2015		

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 1

Nature of Violation:

27 CFR 478.21(a) - Failure to obtain and/or furnish all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to it in instances.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor The Gun Shop Inc. Gary's Guns	Street Address 2375 Highway 12	City Vidor	State TX	Zip Code 77662-	County ORANGE - 361	Page 2 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 576361016E03973		Expiration Date 5/1/2016	Date(s) or Period of Inspection 09/30/2014 through 10/01/2015			

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 2

Nature of Violation:

27 CFR 478.124(c)(1) - Failure to obtain a properly completed ATF Form 4473, Section A, prior to making an over-the-counter transfer of a firearm to a non-licensee, who is a resident of the State in which the licensee's premises is located instances.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

(If not corrected immediately)

Citation: 27 CFR 478.124(c)(1)

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor The Gun Shop Inc. Gary's Guns	Street Address 2375 Highway 12	City Vidor	State TX	Zip Code 77662-	County ORANGE - 361	Page 3 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 576361016E03973		Expiration Date 5/1/2016		Date(s) or Period of Inspection 09/30/2014 through 10/01/2015		

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 3

Nature of Violation:

27 CFR 478.124(c)(3)(i) - Failure to verify the identity of the transferee and note on the ATF Form 4473 the type of identification used in  instances.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)



Citation: 27 CFR 478.124(c)(3)(i)

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor The Gun Shop Inc. Gary's Guns	Street Address 2375 Highway 12	City Vidor	State TX	Zip Code 77662-	County ORANGE - 361	Page 4 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 576361016E03973		Expiration Date 5/1/2016		Date(s) or Period of Inspection 09/30/2014 through 10/01/2015		

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 4

Nature of Violation:

27 CFR 478.124(c)(3)(iv) - Failure to comply with the requirements of Sec.478.102 and record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any responses or identification number provided by the system in [REDACTED] specific instances.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

[REDACTED]

Citation: 27 CFR 478.124(c)(3)(iv)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor The Gun Shop Inc. Gary's Guns	Street Address 2375 Highway 12	City Vidor	State TX	Zip Code 77662-	County ORANGE - 361	Page 5 of 5 Pages
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License/Permit/Registry Number <i>(If any)</i> 576361016E03973	Expiration Date 5/1/2016	Date(s) or Period of Inspection 09/30/2014 through 10/01/2015
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Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 5

Nature of Violation:
27 CFR 478.124(c)(5) - Failure to sign and/or date the ATF Form 4473 when the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm in instances.

Citation: 27 CFR 478.124(c)(5)

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken: In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.
(If not corrected immediately)

Number: 6

Nature of Violation:
27 CFR 478.125(e) - Failure to enter into a record each receipt and every disposition of individual firearms in instances. (See Addendum #1)

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken: The licensee will correct all cited errors.
(If not corrected immediately)

I Have Received a Copy of This Report of Violations <i>(Proprietor's signature and title)</i>	Date
Signature and Title of ATF Officer	Date

For Official Use Only

October 9 2019 Production

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ATF E-Form 5030 5
Revised April 2005



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

5825 N. Sam Houston Pkwy, W., Suite 300
Houston, Texas 77086

February 3, 2016

www.atf.gov

782050 (b)(6)
5373

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. James M. Daniels
The Gun Shop Inc.
Gary's Guns
2375 Highway 12
Vidor, Texas 77662

REF: FFL# 5-76-361-01-6E-03973

Dear Mr. Daniels:

During a recent compliance inspection at your firearms business covering the period September 30, 2014 to October 1, 2015 you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection, is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) investigator. You indicated that you understood the requirements of the firearms laws and regulations, and that corrective actions would be taken to eliminate future violations.

The records you are required to maintain, and the business operations you conduct, are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business. This is critical to carrying out our mission to protect the public and ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, and we look forward to continuing to work with you in that regard.

Mr. James M. Daniels
The Gun Shop Inc.
Gary's Guns

REF: FFL# 5-76-361-01-6E-03973

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

Should you have any questions regarding this matter, please contact Investigator (b)(6) (b)(6) or me at (b)(6).

Sincerely yours,

(b)(6)

Area Supervisor
Houston VI Field Office

Enclosure: Report of Violations

cc: Federal Firearms Licensing Center
Houston VI Field Office

Address: 2375 Highway 12
Vidor, Texas 77662

1 - Introduction

Inspection Profile:

On September 30, 2015, Industry Operations Investigators (IOI) (b)(6) of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), met in-person with James "Mark" Daniels, President and Responsible Person, at the above-referenced premises. The purpose of the visit was to conduct a Southwest Border Disposition Emphasis compliance inspection of a Type 01, Dealer in Firearms Other Than Destructive Devices Federal Firearms License. The period of inspection covered September 30, 2014 to October 1, 2015. The on-site inspection commenced on September 30, 2015 and was completed on October 6, 2015. The corrections to the A&D book were reviewed on October 6, 2015. No other Federal, State, or local agencies participated in the inspection. No advanced notification was provided prior to the inspection.

Business Profile:

Gary's Guns is in the business of conducting retail sales of new and used handguns and long guns to the general public. Mr. Daniels stated Gary's Guns was the name of the gun shop when they bought it many years ago. Mr. Daniels stated they kept the name. The licensee acquired approximately (b)(4) firearms ((b)(4)) and disposed of approximately (b)(4) firearms ((b)(4)) during the inspection period. Specifically, the licensee acquired approximately (b)(4) used firearms and disposed of approximately (b)(4) used firearms. The licensee also sells ammunition, reloading supplies, and firearm accessories. Primary suppliers of new firearms are (b)(4) . Secondary market supplies the used firearms. The licensee does not maintain a website. The licensee does not attend gun shows or provide gunsmith services. Mr. Daniels is also Treasurer of the Orange Gun Club and conducts gun club business on the licensed premises.

The licensee does not conduct any other business. There is no other business conducted on the premises. The licensee does not hold any other ATF licenses. The licensee does not hold any other applicable State or local firearms-related licenses. The licensee has held the current firearms license since April 1, 2013. The business premises and storage location are located in an urban commercial area. The property is owned by Mr. Daniels' father, George Daniels (**Exhibit 1**). There is no lease agreement. There are no off-site storage locations or zoning restrictions.

FIREARMS INSPECTION REPORT

Name: The Gun Shop Inc.
Trade Name: Gary's Guns

UI#: 782050-2015-0160-B1B
FFL#: 5-76-361-01-6E-03973

The premises are wired with an internal security system. There are two entrances (front) into the building. Each entrance is secured by a metal gate. Only one entrance is being used. There is no gun safe. Long guns are stored in open gun racks. Handguns are stored in gun cases that cannot be locked. IOI (b)(6) recommended Mr. Daniels obtain locks to secure the gun cases and utilize a cable lock to secure the long guns. Records are stored in a file cabinet.

Ownership and Control:

The Gun Shop Inc. is organized as a domestic for profit corporation in the State of Texas where James Daniels is the President, Brenda Daniels is the Director, and George Daniels is the Director (**Exhibit 2**). They are the only corporate officers. George and Brenda Daniels are the only shareholders (**Exhibit 3**). Ms. Daniels stated she and George Daniels each have (b)(4) ownership in the corporation. Ms. Daniels stated James Daniels does not have any ownership in the corporation. Ms. Daniels stated she and George Daniels (ex-husband) formed the corporation specifically for the gun shop. Ms. Daniels stated they were married when they formed the corporation, but are now divorced. Ms. Daniels stated George Daniels was not involved in the firearms business. George Daniels currently lives in west Texas. Ms. Daniels stated the ownership of the corporation was not addressed in the divorce decree. Ms. Daniels stated the ownership still remains 50/50 between her and George Daniels. Ms. Daniels stated she will not change the division of ownership. IOI (b)(6) advised Ms. Daniels that George Daniels would have to be added as a responsible person because he owns half the corporation. IOI (b)(6) advised Ms. Daniels to have George Daniels send her two fingerprint cards and two passport photos. IOI (b)(6) then instructed Ms. Daniels to forward the information to the Federal Firearms Licensing Center.

IOI (b)(6) queried George Daniels in NCIC confirming that no prohibiting factors exist.

There have been no unreported changes in ownership and no hidden ownership was suspected. James Daniels conducts all business operations. The responsible persons are not correctly shown. The license registration report received from Federal Licensing System (FLS) lists James Daniels, Brenda Daniels, and (b)(6) as responsible persons. Mr. Daniels stated he does not know (b)(6). IOI (b)(6) contacted (b)(6) who stated she has never been a responsible person on a firearms license in Vidor, TX. IOI (b)(6) will advised the licensing center to remove (b)(6) as a responsible person.

FIREARMS INSPECTION REPORT

Name: The Gun Shop Inc.
Trade Name: Gary's Guns

UI#: 782050-2015-0160-B1B
FFL#: 5-76-361-01-6E-03973

The licensee maintains an active Texas Sales and Use Tax Permit **(Exhibit 4)**. The Franchise Tax status is active with the Texas Comptroller's Office **(Exhibit 5)**. The Gun Shop Inc. has not registered the assumed name of Gary's Guns with the Texas Secretary of State. The assumed name is no longer active with the Orange County Clerk's Office. IOI **(b)(6)** instructed Mr. Daniels to register the name with the Texas Secretary of State and county clerk's office. On October 7, 2015, the licensee registered the assumed name with the county clerk's office for a period not to exceed 10 years **(Exhibit 6)**.

The Federal Firearms Licensing Center should note the following update:

1. Change James Daniels' title to President and his phone number to **(b)(6)**
2. James Daniel's email should be updated to **(b)(6)**
3. Remove **(b)(6)** as a Responsible Person.
4. Add EIN **(b)(3) 26 USC § 6103**.

Variance:

There are no variances maintained and none were requested as a result of this inspection.

2 - Recommendation

The inspection warrants Violations, Warning Conference, Warning Letter and Recall Inspection. However, this was the licensee's first compliance inspection. The licensee was cited for 33 (12.9%) A&D Bound Book and Inventory Violations. IOI **(b)(6)** recommends Violations, Warning Letter Only and Recall Inspection.

3 - Inspection History

Date of Inspection: March 19, 2013
Type of Inspection: Firearms Qualification Inspection
UI#: 782050-2013-0225-B1B
Inspection Results: Application Approved
Cited Violations: None

4 - Acquisition & Disposition (A&D) Record - Inventory

There were 174 firearms in the full gun to book inventory at the time of inspection. The manual A&D book reflected **(b)(3) - 112** open entries. The licensee maintains one A&D book. A review of the A&D book disclosed the following:

The licensee failed to properly enter the required information for each receipt and

FIREARMS INSPECTION REPORT

Name: The Gun Shop Inc.
Trade Name: Gary's Guns

UI#: 782050-2015-0160-B1B
FFL#: 5-76-361-01-6E-03973

disposition of firearms in the record (b)(3) instances involving (b)(3) firearms), which is a violation of 27 CFR 478.125(e) (**Violation 6, Exhibit 7, Worksheet 1**).

The A&D book is in the proper format, all required information was not accurate and the entries are not timely made. IOI (b)(6) traced (b)(3) firearms from acquisition through disposition by comparing the ATF Form 4473 to the A&D book. No discrepancies were found. There was no discovery of obliterated serial numbers or illegal firearms during the inspection. No trafficking indicators were found. The licensee did not submit a theft or loss report during the inspection period or as a result of this inspection.

Licensee's operating procedure in regards to the A&D book was evaluated. Mr. Daniels is responsible for making gun sales. Mr. Daniels records all acquisition and disposition information into the A&D book. Acquisition and disposition entries are recorded into the A&D book on the same day or following morning firearms are acquired or sold. Gun counts are conducted annually and every month. IOI (b)(6) recommended Mr. Daniels conduct full gun to book inventories at least once a year.

5 - ATF Forms 4473 - NICS & Other Dispositions

There were (b)(3) - 11 ATF Forms 4473 on file for the last 12 months. IOI (b)(6) reviewed all (b)(3) - 11 forms. FFL Audit report revealed 15 NICS Transaction Numbers (NTN) within the last 60 days. There were five denials for the last five years. All were accounted for and separated from the proceeds. There were no sales to law enforcement. Transfers to other licensees were documented properly. There were no trafficking issues relating to purchasers of firearms.

There were discrepancies found with completing the ATF Forms 4473. The licensee was cited for the following violations:

27 CFR 478.21(a) - (b)(3) 112 Pdf forms (Violation 1, Exhibit 8, Worksheet 2).

27 CFR 478.124(c)(1) - (b)(3) 112 Pdf forms (Violation 2, Exhibit 9, Worksheet 2).

27 CFR 478.124(c)(3)(i) - (b)(3) 112 Pdf forms (Violation 3, Exhibit 10, Worksheet 2).

27 CFR 478.124(c)(3)(iv) - (b)(3) 112 Pdf forms (Violation 4, Exhibit 11, Worksheet 2).

27 CFR 478.124(c)(5) - (b)(3) 112 Pdf forms (Violation 5, Exhibit 12, Worksheet 2).

Licensee's operating procedure in regards to the ATF Forms 4473 was evaluated. Mr. Daniels executes all forms. Mr. Daniels reviews the form while the customer is present

and reviews it again the following day. The form is then permanently filed in the filing cabinet. Forms are filed numerically.

6 - Multiple Sales

The Violent Crime Analysis Branch (VCAB) revealed four reports of multiple handgun sales within the last 12 months. No multiple rifle sales were reported by the VCAB. No unreported multiple handgun or rifle sales were discovered during the inspection period.

7 - Suspicious/Prohibited Purchasers

No suspicious/prohibited purchasers were identified during the inspection. IOI (b)(6) conducted background checks on seven individual purchasers with valid Texas Concealed Handgun Licenses or no NICS resolutions. No disabling factors were revealed. No referrals were made.

8 - Trace Activity

The VCAB revealed (b)(2) 112 P.U. successful firearm traces to this licensee within the last 12 months. There were no unsuccessful traces. There were (b)(4) used firearms acquired and (b)(4) used firearms disposed of during the inspection period. Secondary market analysis was conducted on 15 used firearms. No discrepancies were found.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not engage in the importing, collecting, or manufacturing of firearms. No NFA firearms are being sold by the licensee.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

The Youth Handgun Safety poster and Federal Firearms License were available for review. A query of FLS revealed an inaccurate list of the responsible persons associated with this license. The license registration report incorrectly lists (b)(6) as a responsible person. (b)(6) will be removed as a responsible person. George Daniels will be added as a responsible person. IOI (b)(6) queried two active responsible persons (James and Brenda Daniels) in NCIC and N-FORCE confirming that no prohibiting factors exist.

12 - Closing Actions

On October 6, 2015, IOI (b)(6) conducted a closing conference with Mr. Daniels (President). The results of the inspection were disclosed. Each item on the Acknowledgement of Federal Firearms Regulations was reviewed and a signed copy was obtained on October 6, 2015 (**Exhibit 13**).

A review of the report of violations was conducted. IOI (b)(6) provided Mr. Daniels with a signed copy of the report of violations issued for his records. All questions posed by Mr. Daniels were answered and IOI (b)(6) provided a current ATF phone list and business card. Mr. Daniels was instructed to contact IOI (b)(6) or any investigator in the Houston Area Office should questions arise in the future. A signed copy of the Important Notice was obtained from Mr. Daniels (**Exhibit 14**). Mr. Daniels has not previously attended an ATF seminar.

13 - Violations

1. 27 CFR 478.21(a)

Nature of Violation:

27 CFR 478.21(a) - Failure to obtain and/or furnish all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to on (b)(3) 112 forms.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Licensee's Response:

Mr. Daniels stated the errors occurred due to carelessness.

Corrective Action:

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

Reference Worksheet 2 and Exhibit 8.

2. 27 CFR 478.124(c)(1)

Nature of Violation:

Failure to obtain a properly completed ATF Form 4473, Section A, prior to making an over-the-counter transfer of a firearm to a non-licensee, who is a resident of the State in which the licensee's premises are located on (b)(3) 112 forms.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Licensee's Response:

Mr. Daniels stated the errors occurred due to carelessness.

Corrective Action:

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

Reference Worksheet 2 and Exhibit 9.

3. **27 CFR 478.124(c)(3)(i)**

Nature of Violation:

Failure to verify the identity of the transferee and note on the ATF Form 4473 the type of identification used on (b)(3) 112 forms.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Licensee's Response:

Mr. Daniels stated the errors occurred due to carelessness.

Corrective Action:

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

Reference Worksheet 2 and Exhibit 10.

4. **27 CFR 478.124(c)(3)(iv)**

Nature of Violation:

Failure to comply with the requirements of Sec.478.102 and record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any responses or identification number provided by the system on ^{(b)(3)(12)} forms.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Licensee's Response:

Mr. Daniels stated the errors occurred due to carelessness.

Corrective Action:

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

Reference Worksheet 2 and Exhibit 11.

5. **27 CFR 478.124(c)(5)**

Nature of Violation:

Failure to sign and/or date the ATF Form 4473 when the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm on (b)(3) forms.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Licensee's Response:

Mr. Daniels stated the errors occurred due to carelessness.

Corrective Action:

In the future, the licensee will ensure the proper completion of ATF Forms 4473 prior to the transfer of a firearm.

Reference Worksheet 2 and Exhibit 12.

6. **27 CFR 478.125(e)**

Nature of Violation:

Failure to enter into a record each receipt and every disposition of individual firearms in (b)(3) instances. (See Addendum #1)

Licensee's Response:

Mr. Daniels stated he did not know he was required to record the manufacturer and importer.

Corrective Action:

The licensee will correct all cited errors. IOI (b)(6) verified the corrections on October 6, 2015.

Reference Worksheet 1 and Exhibit 7.

FIREARMS INSPECTION REPORT

Name: The Gun Shop Inc.
Trade Name: Gary's Guns

UI#: 782050-2015-0160-B1B
FFL#: 5-76-361-01-6E-03973

X

Industry Operations Investigator

Index of Worksheets and Exhibits

ATF F 5030.5 - Report of Violations

Worksheets

- 1, Property Tax Information
- 2, Articles of Incorporation
- 3, Stockholders
- 4, State of Texas Sales and Use Tax Permit
- 5, Franchise Tax Account Status
- 6, Orange County Assumed Name
- 7, Copies of A&D Record- 27 CFR 478.125(e)
- 8, Copies of ATF Forms 4473- 27 CFR 478.21(a)
- 9, Copies of ATF Forms 4473- 27 CFR 478.124(c)(1)
- 10, Copies of ATF Forms 4473- 27 CFR 478.124(c)(3)(i)
- 11, Copies of ATF Forms 4473- 27 CFR 478.124(c)(3)(iv)
- 12, Copies of ATF Forms 4473- 27 CFR 478.124(c)(5)
- 13, Acknowledgement of Federal Firearms Regulations dated October 6, 2015
- 14, Important Notice

